



DECD

State of Connecticut
Department of Economic and
Community Development

TESTIMONY PRESENTED TO THE COMMERCE COMMITTEE
February 17, 2009

Ron Angelo, Deputy Commissioner
Department of Economic and Community Development

SB 887 AAC TECHNICAL CHANGES TO ECONOMIC DEVELOPMENT STATUTES

Good morning Senator LeBeau, Representative Berger, and members of the Commerce Committee. My name is Ron Angelo and I am the Deputy Commissioner of the Department of Economic and Community Development (DECD).

I am here this morning to offer comments in support of SB 887, *An Act Concerning Technical Changes to Economic Development Statutes*.

As the title implies, this bill is meant to address technical issues in several different economic development statutes. These proposed changes will increase efficiency and ease the implementation of impacted programs. I would like to briefly summarize the proposed changes.

Sections 1 & 2 pertain to our Enterprise Zone Program. We are requesting that all data collected for reporting purposes be for "certified" companies only. This means we would only collect data from companies actually receiving benefits under the Enterprise Zone Program. We are also requesting to change two reporting dates. We are doing this so we can maximize the data that is being collected and reported. We are also requesting that a report that requires the commissioner to evaluate the enterprise and hybrid zones be consolidated into DECD's five-year strategic plan.

Section 3 also pertains to Enterprise Zones. This allows municipalities with enterprise zones to fix the assessment on residential properties whose income does not exceed a specified limit. Currently, the statute specifies that median family income for the municipality in which the property is located must be used. The statute is mute as to the source of this data. DECD and HUD both use Area Median Income (AMI) to determine income limits for our housing programs. This would codify existing practice by clarifying the statute to conform to other statutes presently used to determine AMI.

Section 4 modernizes Section 32-327(5) by changing the reference from the Standard Industrial Classification (SIC) Manual to the North American Industrial Classification (NAICS) Manual. SIC codes were discontinued in 1997 therefore the statutes need to be updated. DECD now uses NAICS codes to determine a company's area of expertise.

Section 5 amends the statutes to remove the Connecticut Economic Information System and the Connecticut Economic Information System Steering Committee. Due to lack of funding, a lack

of interagency cooperation, and a lack of adequate technology, the Connecticut Economic Information System was never created and therefore the steering committee was never created. This statute dates back to the early 1990's. Now, because of advances in computer technology, DECD is able to obtain the necessary economic statistics we need and store them on-site.

Section 6 proposes to move two reporting requirements (the Biodiesel Program & the Fuel Diversification Program) into the agency's annual report to maintain consistency. This proposed change is consistent with Section 32-1m subsection (b) which requires that "any annual report that is required from the department by any provision of the general statutes shall be incorporated into the [agency's] annual report".

Thank you for your time and consideration of my comments.